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U. S. DEPT. OF AGRICULTURE
NATIONAL MILK PROCESSOR ASSOCIATION
FEBRUARY

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE, MARKETING AREA

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Released Pursuant to §1090.27 (j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - FEBRUARY 1972

The Chattanooga Order MINIMUM uniform producer price is \$6.20 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to the location adjustment of the plant at which milk was received per §1090.53 and §1090.74.

In February 1972, 58.3% of producer milk received by pool plants was priced in Class I at \$7.08 per cwt. and 41.7% was priced in Class II at \$4.97 per cwt. The February butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during February 1972 was 35,650,535 pounds which is an increase of 7,049,774 pounds or a daily average increase of 20.4% compared with February 1971. The February daily average deliveries from 761 producers was 1,615 pounds. This compares to 731 farms delivering a daily average of 1,397 pounds per day during February 1971.

USDA ANNOUNCES DAIRY SUPPORT PROGRAM FOR 1972-73

Secretary of Agriculture Earl L. Butz announced on March 9 that the support level for manufacturing milk will be continued at \$4.93 per hundredweight for the marketing year beginning April 1, 1972. The support rate for manufacturing milk is for milk of national average milk fat test of 3.67 percent. This is equivalent to \$4.79 per hundredweight for milk of 3.5 percent test.

The law requires that milk be supported at such level between 75 and 90 percent of parity as the Secretary determines necessary to assure an adequate supply. The Secretary has determined that the support rate of \$4.93 will assure an adequate supply. This level of support should provide assurance against the resumption of a downward trend in milk production and provide a supply of milk adequate for our commercial needs and an increase in the quantity of dairy products over the approximately 7 billion pounds of milk equivalent acquired by CCC this year, which will be available for domestic food assistance and other programs.

The announced product purchase prices are U. S. Grade A butter 68.75 cents, U. S. Grade cheddar cheese 54.75 cents and U. S. Extra Grade spray nonfat dry milk 31.7 cents. These prices will remain unchanged for the 1972-73 marketing year.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Feb. '72			
	Over	Feb.	Jan	Feb.
	Feb. '71	1972	1972	1971
Number of Plants - Pool		7	7	6
- Non-Pool		14	14	13
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+20.4	1,229,329	1,225,033	1,021,456
Other Source	+62.2	47,906	37,228	29,541
Other Federal Orders	+51.3	119,736	133,215	79,137
TOTAL MILK RECEIPTS	+23.6	1,396,971	1,395,476	1,130,134
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 6.9	461,833	446,743	432,000
Skim	+ 3.7	22,170	21,862	21,387
2% Milk	+20.8	141,784	137,332	117,383
Buttermilk	+11.8	59,048	57,995	52,828
Flavored Milk and Drink	+30.4	20,431	20,123	15,666
Creams (Sweet and Sour)	+15.9	3,625	3,560	3,128
Yogurt	+32.9	744	657	560
Sub-Total - Pkg. Products (Pool Plants)	+10.4	709,635	688,272	642,952
Other (Shrinkage, Inventory, etc.)		624	4,690	788
Sales to Non-Pool Plants		51,653	88,391	140,314
In Area Sales by Non-Pool Plants	+ 0.6	49,914	46,488	49,619
TOTAL CLASS I MILK	- 2.6	811,826	827,841	833,673
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+14.1	56,180	52,536	49,256
Cottage Cheese	- 5.9	42,268	41,460	44,925
Powdered and Condensed Milk		9,509	6,043	-0-
Livestock Feed and Milk Dumped		6,593	7,359	8,524
Sub-Total - Used to Produce	+11.5	114,550	107,398	102,705
Shrinkage Class II		13,928	12,587	12,461
Other (Inventory Variation, etc.)		(8,158)	15,911	10,655
Bulk Sales to Non-Pool Plants		464,825	431,739	170,640
TOTAL CLASS II MILK	+97.4	585,145	567,635	296,461
Class I Pkg. Lbs. In Area - Pool Plants	+ 7.0	527,284	510,799	492,874
Class I Pkg. Lbs. Out of Area - Pool Plants	+21.5	182,351	177,473	150,078
Class I Pkg. Lbs. In Area - Non-Pool Plants	+ 0.6	49,914	46,488	49,619
% Producer Milk of Gross Class I		151.4	148.0	122.5
% Producer Milk Priced in Class I		58.3	60.1	75.4

FEBRUARY 1972 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	47.2	672,075	\$0.81	\$ 544,380.75
Class II	52.8	753,227	0.78	587,517.06
Total	100.0	1,425,302		\$1,131,897.81

Total Butterfat Value ÷ Total Producer fat pounds = \$0.794146

Producer Butterfat Differential per point variation above or
below 3.5 percent - - - - - \$0.080

COMPUTATION OF PRODUCER UNIFORM PRICE

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FEBRUARY 1972	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		23,542,946	3.144		
Less Other Source		2,749,285	2.478		
Producer Milk Class I	58.3	20,793,661	3.232115	\$6.863013	\$1,427,071.66
Gross Class II		16,969,217	4.873		
Less Other Source		2,112,343	3.485		
Producer Milk Class II	41.7	14,856,874	5.069889	6.194513	920,310.99
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	35,650,535	3.997982		\$2,347,382.65
Less Fractional Adjustment					.01
Add Value of Overage					99.86
Add Value of Class I Other Source					
Receipts and Producer Location Adj.		3,535	0.00		4,104.22
Add ½ Producer-Settlement Fund Reserve					15,378.95
TOTAL VALUE AT TEST		35,654,070	3.997586	\$6.638697	\$2,366,965.67
Less Test over 3.5% @ 8.0¢ per point		35,654,070	.497586	0.398069	141,927.80
TOTAL UTILIZATION VALUE AT 3.5%		35,654,070	3.5	\$6.240628	\$2,225,037.87
Less Reserve per \$1090.71 (f)		35,654,070		.040628	14,485.54
PRODUCER UNIFORM PRICE - 3.5% TEST		35,654,070	3.5	\$6.20	\$2,210,552.33

FEBRUARY 1972 ORDER MINIMUM PRODUCER PRICE CWT. f.o.b. POOL PLANTS (0-65 mile zone)
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.80	3.6	\$6.28	4.2	\$6.76	4.8	\$7.24	5.4	\$7.72
3.05	5.84	3.65	6.32	4.25	6.80	4.85	7.28	5.45	7.76
3.1	5.88	3.7	6.36	4.3	6.84	4.9	7.32	5.5	7.80
3.15	5.92	3.75	6.40	4.35	6.88	4.95	7.36	5.55	7.84
3.2	5.96	3.8	6.44	4.4	6.92	5.0	7.40	5.6	7.88
3.25	6.00	3.85	6.48	4.45	6.96	5.05	7.44	5.65	7.92
3.3	6.04	3.9	6.52	4.5	7.00	5.1	7.48	5.7	7.96
3.35	6.08	3.95	6.56	4.55	7.04	5.15	7.52	5.75	8.00
3.4	6.12	4.0	6.60	4.6	7.08	5.2	7.56	5.8	8.04
3.45	6.16	4.05	6.64	4.65	7.12	5.25	7.60	5.85	8.08
3.5	6.20	4.1	6.68	4.7	7.16	5.3	7.64	5.9	8.12
3.55	6.24	4.15	6.72	4.75	7.20	5.35	7.68	5.95	8.16

ANNOUNCED 1972 PRODUCER BASES

The average daily bases that producers established during the months of September 1971 thru January 1972 were announced by the Market Administrator. These bases are to be used for making payments to producers for milk deliveries during March thru July 1972.

PRODUCER ANNOUNCED BASES - FOUR YEARS COMPARISON

Base Range Pounds	1972	1971	1970	1969	Base Range Pounds	1972	1971	1970	1969
	Number of Producers					Number of Producers			
0-199	6	7	5	7	900-999	46	45	51	44
200-299	9	12	18	20	1000-1499	196	195	193	147
300-399	26	24	25	35	1500-1999	95	96	93	55
400-499	25	35	43	34	2000-2499	60	46	53	32
500-599	35	45	63	45	2500-2999	35	38	30	21
600-699	34	36	47	49	3000-3999	53	44	34	20
700-799	51	42	39	52	4000-4999	21	13	13	6
800-899	47	51	33	43	5000-Over	16	10	8	3
					Total Prod.	755	739	748	613

CHATTANOOGA ORDER MILK PRICES (3.5) PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt	Bf. Dif.	Cwt.	Bf. Dif.
Feb. '71	\$6.36	-	-	8.2¢	\$6.94	8.4¢	\$4.83	8.0¢
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	6.30	-	-	8.0	6.92	8.1	4.83	7.8
Oct.	6.35	-	-	8.0	6.98	8.2	4.82	7.8
Nov.	6.25	-	-	8.0	6.97	8.2	4.84	7.8
Dec.	6.20	-	-	8.0	6.99	8.2	4.93	7.8
Jan. '72	6.22	-	-	8.0	7.08	8.2	4.97	7.8
Feb.	6.20	-	-	8.0	7.08	8.1	4.97	7.8
Mar.	-	-	-	-	7.12	8.1	-	-
Apr.	-	-	-	-	7.12	-	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE (Daily Average)			
	Chi. 92 ⁰ Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Class I		Class II	
	¢ Lb.	¢ Lb.	Cwt-3.5%	Pounds	Test-%	Pounds	Test-%
Feb. '71	69.78	27.12	\$4.83	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	632,385	3.22	510,832	4.28
Sept.	68.13	31.63	4.83	872,513	3.28	336,032	4.84
Oct.	67.95	31.70	4.82	844,555	3.25	341,121	5.26
Nov.	67.94	31.61	4.84	795,557	3.28	407,740	5.22
Dec.	67.96	31.63	4.93	746,539	3.28	462,124	5.19
Jan. '72	67.79	31.31	4.97	736,232	3.25	488,801	5.16
Feb.	67.78	31.41	4.97	717,023	3.23	512,306	5.07

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/				PRODUCER DATA				
	No.	Total	Class I	Pool	No.	Total	Base	Average	Av. Per
	Hdlers	Receipts	Use	Plant	Prod.	Delivery	Delivery	Test-%	Farm
Feb. '71	19	1,130,134	833,673	6	731	1,021,456	-	4.12	1,397
Mar.	19	1,169,574	771,192	6	693	1,055,616	980,583	3.95	1,523
Apr.	20	1,411,347	812,400	7	854	1,285,962	1,142,972	3.74	1,506
May	20	1,489,326	810,302	7	890	1,356,697	1,167,808	3.66	1,524
June	20	1,346,798	746,820	7	886	1,241,946	1,117,489	3.67	1,402
July	21	1,372,089	791,680	8	905	1,237,001	1,109,761	3.67	1,367
Aug.	20	1,286,252	724,933	7	792	1,143,217	-	3.69	1,443
Sept.	20	1,356,381	967,949	7	789	1,208,545	-	3.71	1,532
Oct.	20	1,334,666	943,324	7	789	1,185,676	-	3.83	1,503
Nov.	20	1,366,329	899,192	7	767	1,203,297	-	3.94	1,569
Dec.	21	1,376,893	838,001	7	767	1,208,663	-	4.01	1,576
Jan. '72	21	1,395,476	827,841	7	765	1,225,033	-	4.01	1,601
Feb.	21	1,396,971	811,826	7	761	1,229,329	-	4.00	1,615

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I